



## CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Adopt Resolution Ratifying the San Joaquin Council of Governments' Annual Financial Plan for Fiscal Year 2008/09

**MEETING DATE:** June 4, 2008

**PREPARED BY:** Public Works Director

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**RECOMMENDED ACTION:** Adopt a resolution ratifying the 2008/09 Annual Financial Plan (AFP) for the San Joaquin Council of Governments (COG).

**BACKGROUND INFORMATION:** Attached is a summary of COG's AFP for fiscal year 2008/09. The COG Board adopted the AFP on April 24, 2008. Pursuant to COG's Joint Powers Agreement, the budget is to be ratified by the City of Lodi and the other agencies in the County following adoption by the COG Board.

Staff would like to acknowledge both the importance of the work COG performs and the significant and excellent assistance their staff provides in delivering transportation projects in the City and the entire County.

**FISCAL IMPACT:** This is the operating plan for COG. COG oversees Measure K funding for several projects in Lodi, including street maintenance and Transit, as well as the administration of several federal funding sources.

**FUNDING AVAILABLE:** Not applicable.

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F. Wally Sandelin  
Public Works Director

Prepared by Tiffani M. Fink, Transportation Manager

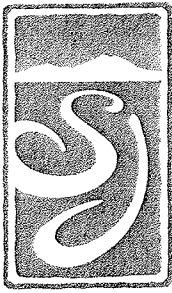
FWS/TF/pmf

Attachment

cc: D. Stephen Schwabauer, City Attorney  
Steve Dial, COG Deputy Executive Director/Chief Financial Officer

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APPROVED: \_\_\_\_\_  
Blair King, City Manager



SAN JOAQUIN COUNCIL OF GOVERNMENTS

555 E. Weber Avenue • Stockton, California 95202

209.468.3913 • 209.468.1084 (fax)

[www.sjco.org](http://www.sjco.org)

MAY 02 2008  
CITY MANAGER'S OFFICE

April 29, 2008

*Victor Mow*  
CHAIR

*Ed Chavez*  
VICE CHAIR

*Andrew T. Chesley*  
EXECUTIVE DIRECTOR

*Member Agencies*

CITIES OF  
ESCALON,  
FATHROP,  
LODI,  
MANTECA,  
RIPON,  
STOCKTON,  
TRACY,  
AND  
THE COUNTY OF  
SAN JOAQUIN

Mr. Blair King  
City of Lodi  
P.O. Box 3006  
Lodi, CA 95241-1910

Dear Mr. King:

Enclosed is a summary of the San Joaquin Council of Governments' Annual Financial Plan (AFP) for Fiscal Year 2008-2009. The Board unanimously adopted the Plan on April 24, 2007. A copy of the adopting resolution is enclosed. Pursuant to SJCOG's Joint Powers Agreement, following adoption of the budget by the SJCOG Board, it is to be delivered to member agencies for ratification by each governing body.

Therefore, SJCOG requests you place SJCOG's Annual Financial Plan for Fiscal Year 2008-2009 on a forthcoming agenda prior to June 30, 2008 for your Council's approval.

The Annual Financial Plan implements the FY 2008-2009 Overall Work Program (OWP) that was also adopted by the SJCOG Board on April 24, 2008.

The attached Annual Financial Plan summary provides a detail of expenditures by cost category and line item comparing the proposed budgets with the current year (FY 2007/08) adopted budget (as amended) and the actual expenditures for FY 2006/07. The following assumptions are incorporated in the budget:

1. Work will not begin and expenses will not be incurred unless anticipated revenue sources are secured.
2. SJCOG anticipates being fully staffed for the entire fiscal year, therefore the Salaries and Benefits cost category is fully funded. No additional staff is being requested.
3. Duplicating the process from previous years, 12% of total current salaries is included in Salaries and Benefits for the pay for performance pool (approximately \$282,614). (By way of background, SJCOG does not award cost of living adjustments or have the traditional 5% step increases for its staff. All raises are considered on the basis of merit in the achievement of goals set annually.)

## **REVENUES**

SJCOG operating revenues are down 6.3% or \$534,567 lower. Overall, federal funding for operating is virtually the same as 2007/08 and includes obligating additional FHWA PI funds beyond the current year's obligation in order to meet the aggressive work activities of the Overall Work Program. State funding sources are down 31.1% due to the completion of several planning projects. Local revenues are 4.7% higher reflecting the flattening out of the sales tax generated resources, the Local Transportation Fund and Measure K.

## **EXPENDITURES**

**Salaries and Benefits** are proposed to increase 9.9%. Salaries increase 9.86% and benefits increase 10.18%. No new positions are being requested. The proposed budget includes the adjustments in certain staff as a result of the Compensation and Classification adopted by the Board in December 2007. (SJCOG's salary ranges had not been adjusted for eight years resulting in entry-level salaries being considerably lower than comparable, market level positions. The adopted new ranges increased the minimum salaries of most positions, without increasing the maximum salary. When the minimum salaries were adjusted higher, a number of staff salaries need to be raised to the new minimum.)

**Services and Supplies** is proposed to be 1.4% higher than the current year. In raw dollars, the most significant change is in Office Expense with the largest share of that change going toward software and licenses.

**Professional Services** is decreasing 23.2% reflecting the completion of significant amounts of consulting work in the OWP.

**Fixed Assets** remains the same as approved in 07/08 at \$80,500.

SJCOG staff would be pleased to appear before your policymakers to answer any questions they might have regarding this matter. **We request ratification prior to June 30, 2008.** Please let me know when this will be on your agenda. If you have any questions regarding this matter, don't hesitate to contact me at 468-3913.

Thank you for your assistance.

Sincerely,



STEVE DIAL  
Deputy Executive Director/Chief Financial Officer



**RESOLUTION**  
**SAN JOAQUIN COUNCIL OF GOVERNMENTS**

**R-08-031**

RESOLUTION APPROVING THE ADOPTION OF THE 2008-2009  
ANNUAL FINANCIAL PLAN  
FOR THE SAN JOAQUIN COUNCIL OF GOVERNMENTS

WHEREAS, the San Joaquin Council of Governments is required by the Joint Powers Agreement to adopt a budget (Annual Financial Plan) annually, and

WHEREAS, the adopted budget is to be sent to the member agencies for ratification.

NOW THEREFORE BE IT RESOLVED, that the San Joaquin Council of Governments adopts the FY 2008-2009 Annual Financial Plan and directs the Executive Director to transmit it to the member agencies for ratification.

PASSED AND ADOPTED this 24th day of April 2008, by the following vote of the San Joaquin Council of Governments, to wit:

AYES: Councilman Bestolarides, Stockton; Mayor Chavez, Stockton; Councilman Chapman, Stockton; Councilman DeBrum, Manteca; Mayor Ives, Tracy; Supervisor Mow, San Joaquin County; Mayor Sayles, Lathrop; Supervisor Vogel, San Joaquin County; Vice Mayor Winn, Ripon.

NOES: None.

ABSENT: Councilman Hansen, Lodi; Mayor Haskin, Escalon; Supervisor Ornellas, San Joaquin County.

A handwritten signature in cursive script, reading 'Victor Mow', is written over a horizontal line.

VICTOR MOW  
Chairman

**San Joaquin Council of Governments  
ANNUAL FINANCIAL PLAN  
Fiscal Year 2008/09**

**Adopted April 24, 2008**

**CHAIR**

Supervisor Victor Mow, County of San Joaquin

**VICE-CHAIR**

Mayor Ed Chavez, City of Stockton

**BOARD OF DIRECTORS**

Mayor Gary Haskin	City of Escalon
Mayor Kristy Sayles	City of Lathrop
Mayor Pro Tempore Larry Hansen	City of Lodi
Councilmember Steve DeBrum	City of Manteca
Vice Mayor Chuck Winn	City of Ripon
Supervisor Ken Vogel	County of San Joaquin
Supervisor Leroy Ornellas	County of San Joaquin
Councilmember Steve Bestolarides	City of Stockton
Councilmember Dan Chapman	City of Stockton
Mayor Brent Ives	City of Tracy

**EX OFFICIO DIRECTORS**

Ken Baxter, Deputy Director-Planning	Caltrans District 10
Duane Isetti, Director	San Joaquin Regional Transit District
Steve Herum, Commissioner	Port of Stockton

**SUBMITTED BY:**

Andrew T. Chesley  
Executive Director

Steve Dial  
Deputy Executive Director/  
Chief Financial Officer

**San Joaquin Council of Governments**  
**ANNUAL FINANCIAL PLAN**  
**Fiscal Year 2008/09**  
 Adopted April 24, 2007

REVENUES	FY 2006-07 ACTUAL	FY 2007-08 Amend. #2 1/24/2008	FY 2008-09 Adopted 4/24/08	% Change
Federal Grants		\$2,765,889	\$2,775,785	0.4%
State Grants		\$2,268,513	\$1,563,469	-31.1%
Local		\$3,384,419	\$3,545,000	4.7%
Interest		\$10,000	\$10,000	0.0%
Other		\$30,000	\$30,000	0.0%
<b>SJCOG OPERATING REVENUES</b>	<b>\$5,242,275</b>	<b>\$8,458,821</b>	<b>\$7,924,254</b>	<b>-6.3%</b>
Federal Pass-Through	\$64,209,000	\$125,381,000	\$125,381,000	0.0%
State Pass-Through	\$2,889,767	\$8,755,012	\$8,277,984	-5.4%
Local Pass-Through	\$78,563,150	\$80,653,900	\$68,546,000	-15.0%
Commercial Paper	\$167,000,000	\$167,000,000	\$167,000,000	0.0%
<b>TOTAL SJCOG REVENUE</b>	<b>\$317,904,192</b>	<b>\$390,248,733</b>	<b>\$377,129,238</b>	<b>-3.4%</b>
<b>EXPENDITURES</b>				
Salaries & Benefits	\$2,442,356	\$3,319,963	\$3,647,633	9.9%
Services & Supplies	\$1,014,007	\$1,256,500	\$1,274,500	1.4%
Office Expense	\$249,495	\$345,000	\$362,000	4.9%
Communications	\$45,624	\$60,000	\$60,000	0.0%
Memberships	\$30,553	\$42,000	\$42,000	0.0%
Maintenance - Equipment	\$4,606	\$13,000	\$13,000	0.0%
Rents & Leases - Equipment	\$157,653	\$210,000	\$210,000	0.0%
Transportation, Travel & Training (In & Out of State)	\$125,015	\$110,000	\$110,000	0.0%
Allocated Service Cost	\$9,339	\$3,000	\$4,000	33.3%
Publications & Legal Notices	\$26,657	\$27,000	\$27,000	0.0%
Insurance	\$70,250	\$85,000	\$85,000	0.0%
Building Maintenance	\$107,255	\$120,000	\$120,000	0.0%
Rents - Structures & Grounds	\$187,560	\$241,500	\$241,500	0.0%
Professional Services	\$1,186,112	\$3,801,858	\$2,921,621	-23.2%
Fixed Assets	\$40,366	\$80,500	\$80,500	0.0%
Unallocated/Reserve	\$0	\$0	\$0	
<b>SJCOG OPERATING EXPENDITURES</b>	<b>\$4,682,841</b>	<b>\$8,458,821</b>	<b>\$7,924,254</b>	<b>-6.3%</b>
Pass-Through	\$312,661,917	\$381,789,912	\$369,204,984	-3.3%
<b>TOTAL SJCOG EXPENDITURES</b>	<b>\$317,904,192</b>	<b>\$390,248,733</b>	<b>\$377,129,238</b>	<b>-3.4%</b>

Excess (Deficit) Revenues	\$559,434	\$0	-\$0
Over Expenditures (Operating)			

RESOLUTION NO. 2008-\_\_\_\_\_

A RESOLUTION OF THE LODI CITY COUNCIL  
RATIFYING THE SAN JOAQUIN COUNCIL OF  
GOVERNMENTS' (SJCOG) 2008/09 ANNUAL  
FINANCIAL PLAN

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WHEREAS, the San Joaquin Council of Governments (SJCOG) has approved its fiscal year 2008/09 budget by adopting Resolution No. R-08-031 as shown on the attached, marked Exhibit A; and

WHEREAS, SJCOG is required to forward such Resolution to its member governments for their review and ratification.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby ratifies the 2008/09 Annual Financial Plan for SJCOG.

Dated: June 4, 2008

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I hereby certify that Resolution No. 2008-\_\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held June 4, 2008, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL  
City Clerk

2008-\_\_\_\_\_



**RESOLUTION  
SAN JOAQUIN COUNCIL OF GOVERNMENTS**

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NOES: None.

ABSENT: Councilman Hansen, Lodi; Mayor Haskin, Escalon; Supervisor Ornellas, San Joaquin County.

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VICTOR MOW  
Chairman



**San Joaquin Council of Governments  
ANNUAL FINANCIAL PLAN  
Fiscal Year 2008/09**

**Adopted April 24, 2008**

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